

Program Memorandum Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal AB-00-112

Date: NOVEMBER 16, 2000

CHANGE REQUEST 1412

SUBJECT: Home Health Prospective Payment System/Consolidated Billing (PPSCB) Edits and Systems Changes – Instructions for Standard Systems, CWF, and Contractors - Part II

Background

The Balanced Budget Act of 1997 required consolidated billing of all home health services while a beneficiary is under a home health plan of care authorized by a physician. Consequently, billing for all such items and services will be made by the single home health agency (HHA) overseeing that plan.

Program Memoranda (PMs) AB-00-65, dated June 2000, and B-00-50, dated October 2000 provided instructions for the initial implementation of consolidated billing for HH PPS for both intermediaries and carriers. This initial implementation created Common Working File (CWF) editing to deny claims for non-routine medical supplies or therapy services that were provided while CWF indicated that a beneficiary was in a HHPPS episode for the dates of service indicated on the supply or therapy claim.

Systems Changes

Cases may occur when non-routine medical supply claims may have been processed by a Durable Medical Equipment Regional Carrier (DMERC), or therapy service claims may have been processed by a local carrier or an intermediary prior to the receipt of the HHA Request for Anticipated Payment, or claim that establishes a HHPPS episode in CWF. On or after the effective date of this PM, these claims which are subject to consolidated billing must be cancelled and the payment already made must be recouped. The mechanism is described below for intermediaries and for carriers. CWF will read history for the dates within the 60-day episode period. CWF will apply this process to claims received on or after 4/1/2001 effective for dates of service 10/1/2000 and after.

Additional enforcement of the consolidated billing of these supplies and therapies is necessary at both intermediary and carrier sites. Additional edits are necessary to prevent duplicate payments.

Automatic Cancellation of Therapy Claims by Intermediaries

Upon receipt of a HHPPS claim, CWF will search paid claims history to determine whether any therapy service claims (revenue codes 42x, 43x, 44x) for the beneficiary were paid within the HHPPS episode period to any other institutional provider type. This includes but is not limited to other HHAs, hospital outpatient departments and freestanding outpatient therapy providers. If such a claim is identified, the claim will be automatically cancelled within CWF.

When the CWF claim is automatically cancelled, CWF will generate an unsolicited response, including a trailer 20 with the identifying information regarding the cancelled claim. CWF will electronically transmit this unsolicited response to the intermediary that originally processed the claim that CWF cancelled. Upon receipt of the unsolicited response, the intermediary Standard System software will use existing logic that cancels the claim in the intermediary's system and initiates recoupment procedures of any payment made. Currently electronic processing of unsolicited responses occurs at Regional Home Health Intermediaries (RHHIs) only, while other intermediaries receive unsolicited responses in paper format. Intermediaries that are not RHHIs must make any procedural changes necessary to accommodate electronic processing of unsolicited responses.

HCFA-Pub.60AB

Automatic Cancellation of Therapy Claims by Local Carriers

Upon receipt of a HHPPS claim, CWF will search paid claims history to determine whether any therapy service claims (claims reporting any of the therapy HCPCS codes identified in PM B-00-50) for the beneficiary were paid within the HHPPS episode period to any other Part B provider. If such a claim is identified, the claim will be automatically cancelled within CWF.

When the CWF claim is automatically cancelled, CWF will generate an unsolicited response, including a trailer 20 with the identifying information regarding the cancelled claim. CWF will electronically transmit this unsolicited response to the carrier that originally processed the claim that CWF cancelled. The carrier Standard System software must recognize the electronic unsolicited response, and create new logic triggered by the unsolicited response. This logic must cancel the claim in the carrier's system and initiate recoupment procedures for any payment made. All carriers must make any procedural changes necessary to accommodate electronic processing of the unsolicited responses.

Automatic Cancellation of Supply Claims by DMERCs

Upon receipt of a HHPPS claim, CWF will search paid claims history to determine whether any non-routine supply item claims (claims reporting any of the non-routine supply HCPCS codes identified in PM B-00-50) for the beneficiary were paid within the HHPPS episode period to any other Part B provider. If such a claim is identified, the claim will be automatically cancelled within CWF.

When the CWF claim is automatically cancelled, CWF will generate an unsolicited response, including a trailer 20 with the identifying information regarding the cancelled claim. CWF will electronically transmit this unsolicited response to the DMERC that originally processed the claim that CWF cancelled. The DMERC Standard System software must recognize the electronic unsolicited response, and create new logic triggered by the unsolicited response. This logic must cancel the claim in the carrier's system and initiate recoupment procedures for any payment made. All carriers must make any procedural changes necessary to accommodate electronic processing of the unsolicited responses.

This process will not apply to any other DME fee schedule items. The CWF edit to prevent duplicate billing of DME across RHHIs and DMERCs was implemented effective 10/1/2000.

Unsolicited Responses

For all unsolicited responses mentioned above, CWF will return a trailer 20 to show the claim is cancelled. Unsolicited responses will be in a separate file and all unsolicited responses will be cancelled claims. The unsolicited responses will have all identifying information – DCN, HIC, bene name, date of birth, sex. When CWF cancels the claim the deductible will be updated on the beneficiary's file and the corrected deductible information will be returned to the contractor in the 11 trailer.

Contractors must publish this information on their internet website and their next regularly scheduled bulletin.

The effective date of this PM is October 1, 2000.

The implementation date for this PM is April 1, 2001.

These instructions should be implemented within your current budget.

This PM may be discarded after April 1, 2002.

Contractors should contact the appropriate regional office.